



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

VIA CERTIFIED MAIL and EMAIL

Jack Oman
Project Manager
Atlantic Richfield Company
4 Centerpointe Drive
La Palma, California 90623-1066

Atlantic Richfield Company
c/o Corporation Trust Company of Nevada
311 South Division Street
Carson, Nevada 89703

Re: Demand for Reimbursement of Costs Expended at Anaconda Copper Mine Site,
Yerington, Nevada

Dear Mr. Oman:

As you know, the United States Environmental Protection Agency ("EPA") is conducting and overseeing response activities at the Anaconda Copper Mine Site (the "Site"), in Yerington, Nevada, pursuant to EPA's authority stated in Section 104 of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. § 9604. Atlantic Richfield Company ("ARC") is receiving this letter as a potentially responsible party identified by EPA as liable for reimbursement of EPA's response costs in the Unilateral Administrative Order CERCLA 09-2007-005 (the "UAO"), dated January 12, 2007. In accordance with Paragraph 80 of the UAO and Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), EPA hereby makes this written demand for reimbursement of response costs incurred at the Site.

In the UAO, EPA made findings of fact and conclusions of law establishing ARC's past association with the Site, and thereby ARC's liability for certain of EPA's costs in responding to any release or threatened release of hazardous substances at the Site. Such costs include, but are not limited to, expenditures for investigation, planning, response, interest, enforcement activities, oversight of response actions that are performed by parties other than EPA or its contractors, and operation and maintenance of monitoring systems. EPA has expended funds under the authority

of CERCLA to perform response actions or oversight of response actions at the Site, and has incurred at least \$2,838,175.81 in unreimbursed costs for response actions related to Operable Units ("OUs") 0-7 at the Site as of December 31, 2013. Enclosed are final reconciled cost summaries of the expenditures for your review. EPA is not at present demanding reimbursement for costs associated with OU8 at the Site.

The Administrative Record consisting of Site-related technical documents is located at EPA's Regional Office in San Francisco, at:

Superfund Records Center
95 Hawthorne Street (4th Floor)
San Francisco, CA 94105
(415) 536-2000

Interest on past costs incurred shall accrue from the date of this demand for payment, and interest on future costs shall accrue from the date of expenditure, pursuant to CERCLA Section 107(a), 42 U.S.C. § 9607(a). Interest rates are variable. The rate applicable on any unpaid amounts for any fiscal year is the same as is specified for interest on investments of the Hazardous Substances Superfund, which is determined by the Department of Treasury. The current rate of interest is 0.81% per annum. EPA is not required by CERCLA to issue a written demand for recovery of prejudgment interest. However, the date a written demand is made may be used by a court in determining the date from which prejudgment interest begins to accrue.

Some or all of the costs associated with this notice may be covered by current or past insurance policies issued to ARC or its predecessor in interest, Anaconda Copper Mining Company. Most insurance policies will require that you timely notify your carrier(s) of a claim. To evaluate whether you should notify your insurance carrier(s) of this demand, you may wish to review current and past policies, beginning with the date of ARC's or Anaconda Copper Mining Company's first involvement with the Anaconda Copper Mine, up to the present. Coverage depends on many factors, such as the language of the particular policy and state law.

In the event that you file for protection in the United States Bankruptcy Court, EPA reserves its right to file a Proof of Claim or application for Reimbursement of Administrative Expenses against the bankrupt's estate. EPA also must be notified if you or your assets are placed in federal or state receivership proceedings.

EPA would like to extend to ARC the opportunity to resolve this matter in consideration for respective covenants and contribution protection, and has enclosed an administrative settlement agreement stating terms that would resolve this matter. However, if ARC fails to respond to this demand or fails to execute the settlement agreement within thirty (30) days, EPA will conclude that ARC has declined to reimburse the Hazardous Substance Superfund for Site expenditures. Consequently, EPA may pursue civil action against ARC to recover its costs in accordance with CERCLA Section 107(a), 42 U.S.C. § 9607(a).

Thank you for your prompt attention to this matter. Please direct any technical questions you may have concerning matters discussed herein to David Seter, Remedial Project Manager, at (415) 972-3250 or by email at seter.david@epa.gov. If you have any questions regarding your liability, please contact EPA's Assistant Regional Counsel Andrew Helmlinger at (415) 972-3904 or by email at helmlinger.andrew@epa.gov.

Sincerely,



Angeles Herrera, Assistant Director
Superfund Division

Environmental Protection Agency, Region IX

DATE: MAY 13 2015

Enclosures

cc: Andrew Helmlinger, EPA Office of Regional Counsel
David Seter, EPA Remedial Project Manager

